

Message Text

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ACTION EB-11

INFO OCT-01 EUR-25 IO-14 ISO-00 AGR-20 CEA-02 CIAE-00

COME-00 DODE-00 FRB-02 H-03 INR-10 INT-08 L-03 LAB-06

NSAE-00 NSC-10 PA-04 RSC-01 AID-20 CIEP-02 SS-20

STR-08 TAR-02 TRSE-00 USIA-15 PRS-01 SPC-03 FEA-02

OMB-01 SAM-01 DRC-01 /196 W
----- 028926

R 141943Z FEB 74

FM AMEMBASSY LONDON
TO SECSTATE WASHDC 8007
INFO AMEMBASSY BONN
AMEMBASSY BRUSSELS
AMEMBASSY COPENHAGZA
AMEMBASSY DUBLIN
AMEMBASSY LUXEMBOURG
AMEMBASSY PARIS
AMEMBASSY ROME
AMEMBASSY THE HAGUE
USMISSION EC BRUSSELS
USMI ZION OECD PARIS
USMISSION GENEVA

C O N F I D E N T I A L SECTION 01 OF 02 LONDON 02065

PASS STR

E.O. 11652: XGDS-1

TAGS: ETRD, EECJR US, UK

SUBJECT: ARTICLE XXIV:6

REF: (A) LANDE-EDGAR TELECON, FEBRUARY 8; (B) LONDON
1545

1. WE RETURNED TO THE DEPARTMENT OF TRADE AND
INDUSTRY ON FEBRUARY 13 TO GET MORE DETAILS ON TRUCKS
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AND NON-AGRICULTURAL TRACTORS IN CONNECTION WITH THE
ARTICLE XXIV:6 NEGOTIATIONS. THIS CONVERSATION,

LIKE THE ONE DESCRIBED IN REF B, WAS STRICTLY
UNOFFICIAL AND EXPLORATORY.

2. THE DTI OFFICIALS DESCRIBED THE U K'S APPROACH ON

TRUCKS AS FOLLOWS (TARIFF HEADINGS AND DESCRPYTIONS
ADK FROM THE UK TARIFF OF JINUARY 1, 1974, NOT FROM
THE CXT). THE UK UNDERSTANDS THE COMMUNITY OFFER TO
INCLUDE TRUCKS WITH A CYLINDER CAPACITY OF NOT MORE
THAN 10,000 CC IMPORTED UNDER TARIFF HEADINGS 87.02
B II AJCS (AA) "DUMPERS DESIGNED SOLELY FOR USE IN
EXCAVATING AND LEVELLING OPERATIONS," AND 87.02 B II
A1 (CC) "OTHER." THE OFFER DOES NOT INCLUDE 85&.02
B II A1 (BB) "AGRICULTURAL VEHICLES OF A KIND MAINLY
USED FOR HAULING OR PUSHING ANOTHER VEHIVOE, APPLIANCE
OR LOAD." ACCORDING TO DTI'S FIGURES, VIRTUALLY NO
IMPORTS FROM THE US COME IN UNDER THIS "(BB)" CATE-
GORY. THE UK'S 1972 TARIFF WAS 7.5 PER CENT FOR THE
"(AA)" AND "(BB)" CATEGORIES, AND 22 PER CENT FOR
E
(CK)". THE CXT IS 22 PER CENT FOR ALL THREE
CATEGORIES.

3. DTI FIGURES SHOW THAT OF THE \$3.11 MILLION WORTH
OF IMPORTS THAT COME INTO THE UK FROM THE US (USING
1971-72 TRADE FIGURES) \$3.09 COMES IN UNDER THE SUB-
HEADING 87.02 BIIA1(AA). FOR THIS SUBHEADING THE
BRITISH WOULD BE PREPARED TO ENVISAGE THE INCLUSION
OF TRUCKS WITH A CYLUGDER CAPACITY OF MORE THAN
10,000 CC IN THE COMMUNITY'S OFFER. THE BRITISH
WOULD BE MOST RELUCTANT, ON THE OTHER HAND, TO INCLUDE
TRUCKS WITH A CYTKNDER CAPACITY OF MORE THAN 10,000
CC COMING IN UNDER THE SUBHEADING 87.02 BIIA1 (CC).
THE BRITISH DUTY FOR THIS SUBHEADING IS ALREADY AT
THE IQT LEVEL (22 PER CENT). THE UK HAS AGREED TO
REDUCE IT
G 17 ISER CENT FOR THE SMALLER TRUCKS IN
THIS SUBHEADING -- THEY WERE INCLUDED IN THE
COMMUNITY'S DECEMBER OFFER -- BUT WOULD BE MOST
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RELUCTANT TO DO SO FOR THE LARGER ONES.(ONE REASON
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C O N F I D E N T I A L SECTION 02 OF 02 LONDON 02065

IS NEAR FEAR OF JAPANESE COMPETITION. (THE DTI OFFICIALS GAVE US INFORMATION ON JAPANESE PRODUCTION OF LARGE TRUCKS, WHICH WE ARE POUCHING TO STR.) ANOTHER REASON IS THAT IN BRITAIN'S CURRENT ECONOMIC SITUATION, IT IS VERY DIFFICULT FOR THE UK TO MAKE TARIFF CONCESSIONS ON ITEMS OF INTEREST TO BRITAIN'S MOTOR INDUSTRY, WHICH HAS BEEN SERIOUSLY AFFECTED BY THE COMBINED EFFECTS OF OIL SHORTAGES AND THE MINERS' STRIKE.

4. THE UK WOULD THUS BE PREPARED TO ENVISAGE A
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COMMUNITY OFFER THAT INCLUDED DUMP TRUCKS OF ALL SIZES UNDER CATEGORY "(AA)", AND TRUCKS OF LESS THAN

10,000 CC UNDER CATEGORY "(CC)". THE UK WOULD ALSO BE PREPARED TO CONSIDER SOMETHING LOWER FOR THESE ITEMS THAN THE 17 PER CENT OFFERED BY THE COMMUNITY.

5. ON NON-AGRICULTURALNZTRACTORS, THE UK UNDERSTANDS THE COMMUNITY'S OFFER TO INCLUDE THE FOLLOWING: ALL

ITEMS UNDER 87.01 CI, "TRACK-LAYING TRACTORS; ONE OR TWO-WHEELED TRACTORS," PLUS THE FOLLOWINGQ ITEMS UNDER 87.01 C II: "OTHER ROAD TRACTORS; TRACTORS OF THE TYPE USED IN THE CONSTRUCTION INDUSTRY; OTHER." THE COMMUNITY'S OFFER DOES NOT INCLUDE, ACCORDING TO THE DTI OFFICIALS, THE FOLLOWING ITEM UNDER 87.01 C II: "ROAD TRACTORS FOR SEMI-TRAILERS."

6. THE UK WOULD BE PREPARED TO CONSIDER SOMETHING LOWER FOR THESE ITEMS THAN THE 17 PER CENT OFFERED BY THE COMMUNITY.

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: TRUCKS, CONSTRUCTION EQUIPMENT, ARTICLE XXIV 6, TARIFF NEGOTIATIONS, EXCAVATING EQUIPMENT
Control Number: n/a
Copy: SINGLE
Draft Date: 14 FEB 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: golinofr
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974LONDON02065
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: X1
Errors: N/A
Film Number: n/a
From: LONDON
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t19740233/aaaabemk.tel
Line Count: 189
Locator: TEXT ON-LINE
Office: ACTION EB
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 4
Previous Channel Indicators:
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: (A) LANDE-EDGAR TELECON, FEBRUARY 8;
Review Action: RELEASED, APPROVED
Review Authority: golinofr
Review Comment: n/a
Review Content Flags:
Review Date: 01 APR 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <01 APR 2002 by elyme>; APPROVED <31 MAY 2002 by golinofr>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: ARTICLE XXIV:6
TAGS: ETRD, US, UK, EEC
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005